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GE labeling for animal products leads to extra costs

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Biotechnology - GE Plants and Animals

Approved By:

Kelly Stange

Prepared By:

Leif Erik Rehder

Report Highlights:

A recently released study in Germany found that compulsory labeling for products from animals fed with genetically engineered plants would lead to extra costs for companies and government agencies. Additionally, the regulation will work only on an EU level – implementation on a country-by-country basis will not be achievable. These are the main results of a study done by the Thünen Institute (TI) on behalf of the German Federal Ministry for Food and Agriculture.

General Information:

Compulsory labeling for products from animals fed with genetically engineered (GE) plants would lead to extra costs for companies and government agencies. This is the main result of a market analysis study by the Thünen Institute (TI) on behalf of the German Federal Ministry for Food and Agriculture. The Ministry had commissioned the study since the coalition agreement of the CDU, CSU and SPD had presented the prospect of required GE labelling for animal products.

According to the study, the level of extra cost would depend on how consumers, the food industry and the sectors concerned respond to the expansion of GE labelling. The scientists from the Thünen Institute expect a significant impact on international feed markets in terms of price, availability and trade shifts. The level of impact will be determined by the response on the demand side. According to the study, the technical operation of labelling is not a problem. However, a compulsory labeling would lead to strict separation of GE labeled and non GE labeled products in the value chain. This is expected to result in higher documentation costs.

The following would be connected with a GE labelling requirement:

- Authorization/approval of GE foods
- Identification of the products
- documentation of the processing steps as well as the suppliers and recipients of the products
- official controls

According to Thünen Institute, in Germany alone around 270,000 enterprises would be affected by compulsory labelling for products from animals fed with GE plants. The experts also pointed out that such an extensive required labeling regulation can only be carried out on EU level and not in Germany alone. Thus, on an EU level, significantly more companies would be subject to major changes in labeling requirements under a revision of EU regulations.